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ABSTRACT

The overall objective of this review was to obtain information on several issues raised in the Congress pertaining to the reauthorization of the Community Services Block Grant (CSBG) program. The information includes: (1) what CSBG funds are used for and whether CSBG-supported services duplicate other local social service programs, (2) what role CSBG funds have in the opinions of local service providers, (3) what impact terminating CSBG might have on the services provided by these local agencies, and (4) what the State and Federal roles are in administering CSBG. The report also contains two case studies of community action agencies (CAAs)--one rural and one urban--which describe the roles they have in their communities and how the issues raised during the reauthorization process could affect them. General findings based on field work in eight states and 16 local communities indicate that: (1) CSBG funds primarily support a variety of direct services but also fund administrative functions of CAAs; (2) CSBG-supported services satisfied unmet needs and complemented services offered by local social service agencies rather than duplicated them; (3) loss of CSBG funds (without replacement) would reduce staff, consolidate operations, and reduce or eliminate services; and (4) State and Federal involvement consists of various types of oversight and assistance. (ETS)

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United States General Accounting Office

GAO

Report to Congressional Committees

May 1986

COMMUNITY SERVICES

Block Grant Helps Address Local Social Service Needs

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GAO

United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division
B-214417

May 7, 1986

The Honorable Paula Hawkins
Chairman, Subcommittee on Children,
Family, Drugs and Alcoholism
Committee on Labor and Human Resources
United States Senate

The Honorable Dale Kildee
Chairman, Subcommittee on
Human Resources
Committee on Education and Labor
House of Representatives

Authorizing legislation for the Community Services Block Grant (CSBG) requires the General Accounting Office to evaluate the states' use of CSBG funds. As agreed with your offices, we obtained certain information on the CSBG program for use during congressional deliberations on its reauthorization. It was agreed that this information would satisfy our statutory requirement.

We visited 8 of the 13 states included in our 1983 review of CSBG and other block grants.[1] To obtain geographic diversity we selected California, Colorado, Florida, Iowa, Michigan, Mississippi, New York, and Vermont. At the local level in these eight states, we examined community services delivered by 16 community action agencies and 21 public social services agencies. The community action agencies were among those that we had visited during the prior review. Our fieldwork was done between January and March 1986. The programmatic and financial information we obtained covers fiscal year 1985. Due to time constraints, we did not independently verify the financial information obtained during our fieldwork and only selectively verified programmatic information.

This report expands on the testimony we delivered in February and March before your Subcommittees. It contains information on key issues raised in the Congress pertaining to the reauthorization of CSBG. The report also contains two case studies of the community action agencies we visited—in Bonifay, Florida, and Detroit, Michigan—which describe

[1]Community Services Block Grant: New State Role Brings Program and Administrative Changes (GAO/HRD-84-76, Sept. 28, 1984).

the roles that community action agencies have in rural and urban communities and how the issues raised during the reauthorization process could affect them.

For the past several years, the administration has recommended that CSBG be terminated because it believes (1) CSBG-supported services duplicate those funded under the Social Services Block Grant, (2) community action agencies could function with the administrative funding available from other federal and state sources, and (3) CSBG funds are not essential to the continued operation of such agencies.

We found that the CSBG-supported services offered by the 16 community action agencies we visited essentially did not duplicate those provided by local social services agencies, which are supported by the Social Services Block Grant as well as other sources of funds. Rather, CSBG services met short-term local needs not met by the social services agencies and, in fact, complemented the longer term services offered by those agencies. Although CSBG accounted for only 17 percent of total funding in these 16 community action agencies, agency officials view it as the discretionary money that enables such agencies to identify community needs, offer services not available under other federal or state programs, and support administrative operations. According to state and local officials involved in community services delivery, if additional state and local funds are not provided, the termination of the CSBG program could eliminate services currently supported with CSBG funds. Termination could also change the character of community action agencies by eliminating support for activities that seek to identify unmet local needs and provide the specified services to meet such needs. Details regarding these issues are provided in appendixes III, IV, and V.

As agreed with your offices, we did not obtain comments from officials of the Office of Community Services in the Department of Health and Human Services, which is responsible for administering the CSBG program.

Copies of this report are being sent to the Chairmen, House Committee on Education and Labor and Senate Committee on Labor and Human Resources; the Secretary of Health and Human Services; the Director, Office of Management and Budget; and other interested parties. We will also make copies available to others upon request.

Sincerely yours,

Richard L. Fogel
Director

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Abbreviations

CAA	community action agency
CSBG	Community Services Block Grant
NSD	Neighborhood Services Department
OCS	Office of Community Services, Department of Health and Human Services
SSBG	Social Services Block Grant
WCDSS	Wayne County Department of Social Services

Background

The Community Services Block Grant (CSBG) was created by the Omnibus Budget Reconciliation Act of 1981 and became effective in October of that year. CSBG's stated purpose is to ameliorate the causes of poverty through the support of such services as employment, education, housing, emergency assistance, and nutrition and through the encouragement and coordination of other resources in the community. It was created through the consolidation of eight categorical grant programs: Local Initiative, Community Food and Nutrition, Senior Opportunities and Services, State Agency Assistance, Community Economic Development, National Youth Sports, Housing and Community Development, and the Rural Development Loan Fund.

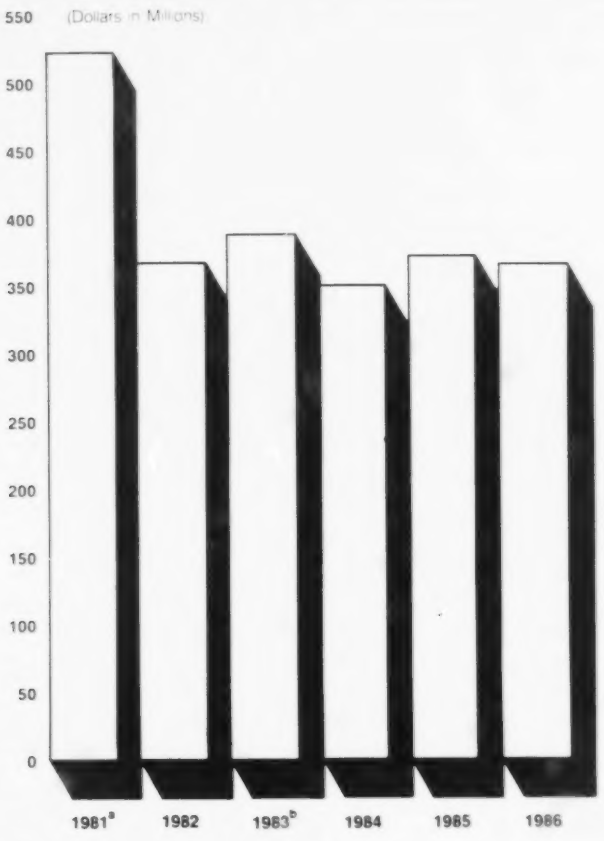
Over the years, funding for CSBG has fluctuated. Figure I.1 illustrates funding patterns for CSBG and its predecessor programs for fiscal years 1981-86.

The CSBG authorizing legislation places funding restrictions on the states. Most are required to allocate 90 percent of their block grant funds to organizations officially designated as community action agencies (CAAs), limited purpose agencies,[1] or seasonal or migrant farmworker organizations in fiscal year 1981. Under provisions of legislation effective in December 1982, three states have received waivers from this 90-percent pass-through requirement. The legislation also places a $55,000 or 5-percent limit (whichever is greater) on the funds that can be used for state administrative purposes and a 5-percent limit on the funds that can be transferred to certain other federal programs.

Under the block grant, CAAs have experienced significant changes. The programs that preceded CSBG were funded by the federal government directly to CAAs with little or no state government involvement. The block grant channels nearly all funds through the states, which now have the principal responsibility to distribute these funds to local service providers and oversee program operations. The federal administrative role in establishing regulations and reviewing state and local management has been substantially reduced; federal staff has been reduced from 938 in fiscal year 1981 to 57 in calendar year 1986.

[1]Organizations that provide community services but are generally narrower in scope than CAAs.

Figure I.1: Federal Funding for Community Services (Fiscal Years 1981-86)



[a]Funding for community services prior to enactment of CSBG

[b]In fiscal year 1983 $361 million was appropriated for CSBG and an additional $25 million was provided through the Emergency Jobs Appropriation Act (Public Law 98-8)

The creation of the block grant was accompanied by a 30-percent federal funding cut. Most states did not contribute any revenues to offset the federal cuts; instead, they spread this reduced funding across more geographic areas. Consequently, while most CAAs experienced funding cuts ranging from 25 to 50 percent, others, due to changes in funding mechanisms and increases in other funding, received an increase in total funding.

The Social Services Block Grant (SSBG) was also created by the Omnibus Budget Reconciliation Act of 1981. It essentially represents a continuation of the Social Services program (title XX of the Social Security Act) that already had many of the features of a block grant. SSBG provides funds to states for a broad range of traditional social services. These include services to help individuals achieve self-sufficiency and to prevent or remedy neglect, abuse, or exploitation of individuals unable to protect their own interests. States usually use federal SSBG funds as well as state funds to provide mandated social services at the local level and to support the local delivery of services and mandate them to provide specific services.

For the past several years the administration has recommended that CSBG be terminated. The administration has argued that (1) the types of social services CSBG supported duplicate programs funded under SSBG, (2) it is used in many cases to fund administrative activities that can be funded under other federal programs carried out by CAAs, and (3) it is not essential to the continued operation of CAAs.

Objectives, Scope, and Methodology

The overall objective of this review was to obtain information on several issues raised in the Congress pertaining to the reauthorization of the program. Specifically, we intended to give the Congress information on: (1) what CSBG funds are used for and whether CSBG-supported services duplicate other local social service programs, (2) what role CSBG funds have in the operations of local service providers, (3) what impact terminating CSBG might have on the services provided by these local agencies, and (4) what are the state and federal roles in administering CSBG.

We did our work at the Office of Community Services (OCS) in the Department of Health and Human Services, at state CSBG and SSBG program offices, and at local CAAs and social service agencies serving the same localities. We selected 8 of the 13 states included in our 1983 review of block grants. These states received 29 percent of CSBG funds allocated to states in fiscal year 1985 and represented a diverse geographic cross-section of states. We selected 16 local CAAs from among the 27 we visited in our 1983 review (see table II.1). These CAAs represent a variety of such agencies that exist throughout the nation, ranging from urban programs in New York City to rural programs in Bonifay, Florida. Half are publicly managed, and half are run by private, nonprofit organizations. The geographic areas they serve range from a single city to a 10-county area. The CAAs we visited were out of a universe of over 900. While our observations relate solely to the 16 CAAs visited, these agencies offer services that are representative of the types of services provided by all such agencies.

At OCS, we interviewed program officials and reviewed grant files, internal evaluation reports, and other documents related to its administration of the block grant program.

At the state level, we used two data collection instruments to obtain programmatic and financial information. At the state CSBG office, we obtained information on state funding and CSBG program priorities, technical assistance and data collection, oversight of local agencies, planning and coordination with other state agencies, and relations with OCS. At the state office responsible for administering SSBG, we obtained information related to (1) the needs determination process, (2) service delivery approaches used, and (3) the planning and coordination of social services with CSBG at the state and local levels.

Table II.1: CAAs Visited in the Eight States Reviewed

State	CAAs visited
California	Shasta County Community Action Agency, Redding (public) City of Los Angeles Community Action Agency (public)
Colorado	Denver Department of Social Services (public), El Paso County Department of Social Services, Colorado Springs (public)
Florida	Tri-County Community Council, Inc., Bonifay (private) Dade County Community Action Agency, Inc., Miami (public)
Iowa	City of Des Moines, Office of Neighborhood Services (public) Hawkeye Area Community Action Program, Inc., Cedar Rapids (private)
Michigan	City of Detroit, Neighborhood Services Department (public) Northwest Michigan Human Services Agency, Traverse City (private)
Mississippi	Pearl River Valley Opportunities, Inc., Columbia (private) Gulf Coast Community Action Agency, Inc., Gulfport (private)
New York	New York City Community Development Agency (public) Steuben County Economic Opportunity Program, Inc., Bath (private)
Vermont	Northeast Kingdom Community Action, Inc., Newport (private) Champlain Valley Office of Economic Opportunity, Burlington (private)

At the local level, we visited 16 CAAs and 21 public social services agencies (several communities had more than one agency providing social services). We used data collection instruments to obtain information on administrative, financial, and programmatic issues. We analyzed information on services offered by these agencies to determine whether there was duplication between CSBG and SSBG regarding the services offered and the clientele served. Additional data collected at the CAAs related to staffing, sources of funding, effects of past funding reductions, changes in services, the quality of technical assistance and oversight by the state, local service coordination procedures, and the possible termination of CSBG. In each community we also interviewed a senior local government official responsible for or knowledgeable of both the CSBG and social service programs to obtain a local government perspective on the two programs.

Due to time constraints, we did not independently verify the financial information obtained and only selectively verified programmatic information. Information pertaining to services offered by both CAAs and local social services agencies—the key issue pertaining to reauthorization—was independently verified to the agencies' records. Except as

noted above, our fieldwork, which was done between January and March 1986, was in accordance with generally accepted government audit standards.

Questions and Answers About the Community Services Block Grant

Following are several questions raised in the Congress pertaining to the reauthorization of CSBG. The responses provided are based on our fieldwork in the eight states and 16 local communities.

What Are CSBG Funds Used For?

CSBG funds primarily support a variety of direct services. The most predominant are: information, outreach, and referral; emergency; and nutritional services. CSBG is also used to fund administrative functions of CAAs.

In fiscal year 1985, the 16 CAAs used an average of 78 percent of their CSBG funds to support a wide range of direct services and an average of 22 percent for administrative support. All 16 CAAs use CSBG funds to offer information, referral, and outreach activities. For example, the Pearl River, Mississippi, CAA found a couple living in their car and referred them to the local social services agency, which provided an apartment for them. The CAA then paid the utility connection fees for the apartment. In another case, the Gulf Coast agency in Gulfport, Mississippi, referred a 61-year-old low-income woman to the proper office in city government to obtain assistance in getting her landlord to repair her house.

Two other types of services were frequently supported with CSBG funds: (1) emergency services, which included providing groceries or temporary shelter to low-income persons, were offered by 15 of the 16 CAAs; and (2) nutrition services, which included self-help gardening and food canning projects, were offered by 12 CAAs. CAAs also used their CSBG funds to help individuals obtain financial assistance for housing, train home day-care providers, arrange transportation, and provide home meals for the elderly, ill, and handicapped.

Overall the CAAs said they used an average of 22 percent of their CSBG funds for administrative support, as defined by each agency. We did not define administrative expenses because no standard definition exists; therefore, we asked each CAA to identify the expenses it considered administrative. Substantial differences existed. The administrative expenses of two public CAAs in Colorado were absorbed by their local governments. For the others, the amount of CSBG funds used for administrative support ranged from about 2 percent in the Cedar Rapids, Iowa, CAA to about 58 percent in the Steuben County, New York, CAA. Cedar Rapids' 2-percent charge represented only a portion of its central office salary costs. Steuben County's 58-percent charge included all or part of (1) central office salaries and other related costs, such as fringe benefits,

consultants, travel, rental, and supplies, and (2) salaries of the directors and staff of two other programs. Table III.1 shows that private, nonprofit CAAs used a greater share of CSBG funds for administrative support than did the public agencies. For example, four private agencies, but only one public agency, used 30 percent or more of their CSBG funds for administration.

Table III.1: Proportion of CSBG Funds Used for CAA Administrative Costs

	Number of CAAs	
Range (percent)	Public	Private
0	2	0
0 - 10	0	1
11 - 20	1	1
21 - 30	4	2
31 - 40	1	2
41 - 50	0	0
51 - 60	0	2

Do CSBG-Funded Services Provided by CAAs Duplicate Those Provided by Local Social Services Agencies?

In the communities we visited, CSBG-supported services essentially did not duplicate those offered by local social services agencies. Rather, they were established to fill local unmet needs and complemented the services offered by the social services agencies.

Our analysis shows that in all but one instance, CSBG-supported services did not duplicate those offered by local social services agencies. In general, CSBG-supported services were of a one-time or short-term nature, such as emergency food and shelter, while social services programs, which often receive SSBG funding, offered more long-term, maintenance-type assistance, such as food stamps and rental subsidies.

About half of the 112 CSBG-supported services offered by the 16 CAAs we visited were targeted to fill specific needs not addressed by social services agencies. Such needs included temporary housing, training, transportation, and elderly services. On the surface, the other half of the CSBG-supported services seemed similar to the services of local social services agencies. However, our on-site comparison of the types of clients served and the specific services offered showed that they were quite different in all but one instance. For example, the social services agency in Newport, Vermont, offers day-care services, while the CAA uses CSBG funds to support the training of day-care personnel. Likewise, in Detroit, the social services agency's transportation program offers medically related transportation for the elderly, while the CAA's transportation

program provides for nonmedical transportation needs, such as grocery shopping.

At each of the 16 communities visited, we obtained information on the types of services offered and the clients served by the CAA and the local public social services agency (in some states, there were more than one in each community). This information was gathered through interviews with service providers and reviews of their records and documents. We assembled these data into 20 standardized categories for analysis. We then compared those categories in which each agency provided services to determine if the services provided were similar. If they were similar, we then determined, through further reviews, whether they were duplicative by assessing the specific nature of the service and clientele eligible to receive it. For example, in Shasta County, California, the local CAA offered services in 5 of the 20 categories, while the local public social services agency offered services in 8 of the 20 categories, as shown in table III.2.

Table III.2: Services Offered by Shasta County Community Action and Social Services Agencies

Categories of services offered by the CAA	Categories of services offered by the social services agency
Information and referral services	Information and referral services
Emergency services	Emergency services
Housing services	Child day care
Youth services	Child protective services
Nutrition services	Adult protective services
	Elderly services
	Home-based services
	Adoption and foster care

Of the five services offered by the CAA, we initially determined that two were similar and three were different from those offered by the social services agency. We later determined that the two similar services were information and referral services and emergency services. The information and referral services offered by the CAA helps low-income persons apply for assistance programs, such as energy assistance, while the county program helps individuals find housing and identifies and offers assistance to adults who are unable to care for themselves. Regarding emergency services, the CAA, in addition to other emergency services, offers shelters for battered women and their children, while the county program offers shelters only for abused and neglected children. In instances where an abused or neglected child comes from a home with

family violence, that child may be referred to the CAA shelter, which has a broader program.

The three other CAA programs offered services not available at the county social services agency program. These were housing rehabilitation services, nutrition services, and youth services.

Table III.3 shows the results of our analysis of CSBG and locally provided social services for all 112 services in the 16 CAAs we visited.

Table III.3: Analysis of Potential Duplication Between CSBG and Locally Provided Social Services

State and CAA visited	Number of services: Social services programs	Number of services: CSBG	Number of services that were: Different	Number of services that were: Similar	Number of duplicative services
California:					
Shasta County	8	5	3	2	•
Los Angeles	10	10	6	4	•
Colorado:					
Denver County	11	6	3	3	•
El Paso County	15	8	2	6	•
Florida:					
Bonifay	10	5	4	1	•
Dade County	9	10	7	3	•
Iowa:					
Des Moines	16	6	1	5	•
Hawkeye Area	17	8	1	7	•
Michigan:					
Detroit	10	5	3	2	•
Northwest Michigan	10	7	4	3	•
Mississippi:					
Pearl River Valley	13	3	1	2	1
Gulf Coast	13	4	2	2	•
New York:					
New York City	15	11	3	8	•
Steuben County	9	9	6	3	•
Vermont:					
Northeast Kingdom	8	6	2	4	•
Champlain Valley	8	9	4	5	•
Total	**182**	**112**	**52**	**60**	**1**

In one instance, we did find duplicative types of services offered. The Department of Welfare in Hattiesburg, Mississippi, had a county-funded emergency services program with a total budget of $300 per month, which included utility payments to the poor. The local CAA also had an emergency services program, which made cash payments for the same

purposes. Although the same services were offered, the different clientele served by the two agencies mitigate the chances of duplication actually occurring.

Local social services agency officials confirmed the results of our analysis and stated that the services they offered were not duplicated by the CAAs. They said that their agencies offered state-mandated services, while the CAAs provided services to meet other community needs. Some also said that the CAAs' services filled the gaps in the existing network by providing services to individuals the social services agencies could not serve. For example, local social services agency officials in Florida and Michigan stated that they referred individuals to CAAs to meet immediate needs for food and shelter either while applications for long-term assistance were pending or if they had exhausted their food stamps before the end of the month.

Top local government officials familiar with both programs also said that CSBG-supported services offered by CAAs did not duplicate those provided by local social services agencies. One Florida official stated, for example, that the CAA provided services not available elsewhere locally.

What Factors Contribute to the Prevention of Duplication?

CAAs assess community needs to identify service needs not addressed by others. In addition, CAAs and social services agencies coordinate continuously in various ways to prevent duplicative services.

First, CSBG-funded services at the sites we visited were provided to fill unmet local needs. The CAAs had identified service needs through periodic needs surveys, public participation forums, and analyses of statistics compiled by federal, state, or local agencies. For example, in 1985 the Bonifay, Florida, CAA organized 33 meetings in its three-county area to enable low-income individuals to express their needs. Similarly, in each of its four targeted service areas, the Des Moines agency has a Neighborhood Priority Board, which assesses the needs of its area and proposes methods to meet them. In contrast, the local social services agencies did not make such needs determinations since they provided services mandated by their states.

The second factor that contributes to the prevention of duplication is coordination between the local CAA and the social services agency. Four of the eight states we visited required coordination between CAAs and local social service agencies. All 16 CAAs we visited were familiar with the services of one or more local social services agencies. Also, the social

services agencies we visited were generally familiar with the programs and services of the local CAA. This familiarity was based on a wide variety of interactions, ranging from informal client referrals to written cooperative service agreements and formal reviews of each other's service plans. All 16 CAAs had a client referral process with their local social services agencies, and 9 of them had formal cooperation agreements.

Service delivery agreements and data sharing are an important way to prevent duplication. For example, in El Paso County, Colorado, a clearinghouse maintains an inventory of services provided to individuals. Most local providers participate in this clearinghouse specifically to avoid duplication. In Gulfport, Mississippi, before providing services, the private social services agencies require individuals seeking assistance to demonstrate that they have not obtained aid from the CAA.

Although coordination works to avoid duplication, coordination could be improved in some areas. For instance, only 9 of the 16 CAAs and 8 of the 21 social services agencies had a copy of each other's plans, and only 5 of the CAAs and 5 of the social services agencies reviewed each other's draft plans. Regarding membership on advisory or governing boards, 10 of the 16 CAAs had a local social services representative on their advisory or governing board, but only 5 of the social services agencies followed this practice.

Why Are CSBG Funds Important to CAAs?

CSBG, on the average, accounted for 17 percent of CAA budgets for the agencies we visited. Because of the flexibility of CSBG funds, CAA officials say these funds are the only source of federal dollars that enable them to effectively administer their agencies' use of other federal, state, and local grants.

The principal funding source of CAAs is the federal government, which provided 89 percent of the total funds among the 32 states that completed the funding section in the 1984 national voluntary reporting system survey of CSBG programs. In the 16 CAAs we visited, federal funds also accounted for 89 percent of total funding, ranging from 47 percent in Denver to 100 percent in Shasta County.

In 1985, CSBG's share of funding in the 16 CAAs we visited averaged 17 percent, ranging from about 3 percent in Des Moines to 74 percent in El Paso County. According to the national voluntary reporting system, CSBG provided 11 percent of the 1984 budgets of the CAAs responding to the

national survey. Several other federal programs—including Head Start, the Community Development Block Grant, and Low Income Home Energy Assistance— provide substantial CAA funding.

Table III.4 shows CSBG funds are proportionally more significant for public than private CAAs.

Table III.4: CSBG Funding as a Share of Total Funding for the 16 CAAs in 1985

Range	8 public CAAs	8 private CAAs
Less than the national average (11 percent)	3	6
Greater than the national average (11 percent)	5	2

State, local, and private sources of funds also made up 11 percent of total CAA funds both on a national basis and for the 16 we visited. All but 1 of the 16 CAAs received some of these nonfederal funds, as follows:

- Nine received state funds, which represented from less than 1 percent to 18 percent of their total funds; five of these received funds that were not directly related to the purposes of CSBG.
- Fourteen received funds from local governments, ranging from less than 1 percent to 53 percent of total funds.
- Twelve received funds from local private sources, which represented from less than 1 percent to nearly 7 percent of their total funds.

CSBG Supports Administrative Operations

Because of its flexibility, CSBG is often used to support CAAs' administrative operations. Other federal and state programs often do not provide sufficient administrative cost funding to support the management of their individual programs, let alone the operation of the CAA itself.

CAA officials told us that they used CSBG funds for administrative support for two reasons. First, some of their other federal and state programs did not allow or did not provide sufficient funding for administrative activities. For example, CSBG funds were often used to administer the Department of Agriculture's surplus commodities distribution program because this program did not provide any funds for administration. Private grants sometimes had similar constraints. For example, the Steuben County agency used CSBG funds to pay most of the director's salary for an elderly program because the program's private sponsor would not allow its funds to be used for administration. Also, allowances for administration do not provide sufficient funds for such administrative costs as grant applications, needs surveys, and outreach

and referral activities. For example, Head Start and the Job Training Partnership Act allow 15 percent, but the Department of Energy's weatherization allows only 5 percent. The Steuben County agency said that because of these limitations, CSBG funds were used to support the salary of the weatherization program director.

Second, CAAs chose to charge CSBG for administration so that more services could be funded by other programs. For example, in Bonifay, Florida, the CAA did not charge its Head Start program the full 15 percent allowed for administration so that it could use these funds to serve more children; CSBG funds were used to make up the difference. Similarly, the Champlain Valley, Vermont, agency did not charge its federal emergency assistance program the allowed 1 percent for administration; instead, it used these funds for emergency services, such as food, clothing, and shelter.

The Administration Has Proposed Terminating CSBG. What Options Would CAAs Have to Mitigate the Loss of Such Funding?

The key is to find funding from other sources. Essentially, there are three alternatives available: CAAs could receive additional state, local, or private funding to replace the lost CSBG funds; SSBG funds could be used to fund CAA operations or services; or existing federal grants could be used to cover CAAs' administrative expenses. Prospects for additional federal, state, or local funding are uncertain at this time, and existing federal grants cannot be expected to contribute significantly more funding for administrative costs.

The ability of CAAs to secure other funds in response to the 1981 federal cuts may provide a useful insight regarding how they would deal with additional cuts. In 1981, total national CSBG funding was cut about 30 percent. These cuts affected individual CAAs unevenly, depending on the degree to which they relied on pre-block-grant funds and how states allocated the CSBG funds they received. Michigan, for example, developed a new distribution formula for CSBG, and Detroit received a 54-percent cut between 1981 and 1985.

In total, 10 of the 16 CAAs experienced CSBG funding cuts between 1981 and 1985, and they responded differently. Eight of 10 were able to increase their CSBG funding during that period through a variety of means:

- Federal funds mitigated reductions in one case. Los Angeles experienced a CSBG reduction in 1983 and transferred some of its Community Development Block Grant funds to address the shortfall.

- One CAA received an increase in state funds. Detroit received an increase in State Supplemental Assistance for CSBG activities, which helped mitigate cuts it received under the new formula.
- Three CAAs received more local government support. The Cedar Rapids CAA, for example, received $122,371 of city and county funds.
- Three CAAs received private funds. Both Cedar Rapids and Burlington, Vermont, for example, received funds from the United Way.
- One CAA used fees and product sales. In Cedar Rapids, senior citizens produce, market, and sell a variety of handicrafts to help generate income for the CAA.

Although it is not possible to know with certainty how CAAs will respond in the future if CSBG funds are terminated, about 90 percent of the local government officials in the 16 communities we contacted believed that no additional state, local, or private funds were likely to replace any CSBG cuts. The most commonly cited reasons were anticipated cuts in other federal programs, especially general revenue sharing and the Community Development Block Grant, and cuts that have, and may further, result from the Gramm-Rudman-Hollings deficit reduction legislation. Many also said that state and local pressures to limit taxes and the tight fiscal condition of many localities would make it difficult to respond to the loss of CSBG funds. In Dade County, Florida, for example, the state and county have tax caps that prevent them both from raising taxes above a certain level, which the county has reached. In addition, the county has simultaneously experienced federal aid cuts and an increase in the demand for services. As a result, local officials question their ability to maintain, let alone increase, local funding for the CAA.

It has been suggested that in the event of CSBG termination, SSBG funds could be used to fund CAA operations or services. State social services officials, however, said current SSBG funding is insufficient to meet existing demands and that the SSBG program either serves different clients or does not fund community service-type activities. Half of the local social services agency directors said their agencies could not absorb services dropped by the CAAs; others said they would evaluate the services dropped on a case-by-case basis and might pick them up. Several noted that their caseloads would rise if CAAs were closed.

It has also been suggested that existing federal and state grants could be used to fund administrative operations now funded by CSBG. However, 14 of the 16 CAAs we visited already charge the maximum amounts allowed for administrative expenses under other programs.

If Other Funding Was Not Provided to Compensate for the Loss of CSBG, What Would Happen?

CAAs said they would reduce staff, consolidate operations, and reduce or eliminate services. Their unique community roles as providers of outreach, intake, and referral services would go unfunded. Only 4 of the 16 CAAs said they would continue to operate as CAAs; i.e., they would continue to offer the variety of services allowed under CSBG, but at a reduced level. The other 12 indicated they might no longer operate as CAAs, but would operate on a reduced scale, focusing on one or more categorical grant programs.

Effects of Possible Termination

The ways in which CAAs dealt with past CSBG cuts may provide a useful insight regarding how they might handle the termination of CSBG. The 10 CAAs we visited that lost CSBG funds between fiscal years 1981 and 1985 responded in the following ways:

- Eight CAAs reduced staff. Reductions ranged from the equivalent of 1.5 staff positions in Burlington, Vermont, to 83 staff positions in Dade County.
- Seven CAAs reduced or eliminated services. For example, Des Moines scaled back a large number of services, from mobile meals to the elderly to emergency shelter for victims of family violence.
- Three CAAs reduced service centers or providers. Shasta County reduced its service providers from 12 in 1981 to 6 in 1985. Dade County and Detroit reduced their service centers from 16 to 7 and 14 to 6, respectively. Due to the decline in the number of service centers in Dade County, service availability was reduced overall by about 50 percent.

We asked the 16 CAA directors for their views about the potential effect of CSBG termination on their operations. Several cited a number of potential actions they might take. Table III.5 shows that their perceptions parallel the reactions of the 10 CAAs we visited that experienced past cuts.

Table III.5: Perceptions of 16 CAA Directors on CSBG Termination

Potential actions	CAAs
Reduce staff	9
Reduce or eliminate direct services	6
Close/reduce service centers	5
End outreach, intake, or referral services	4
End/reduce coordination	4

In addition, officials from 12 CAAs said they would no longer continue to operate as CAAs, but they might reorganize around one or more of the categorical programs that provide sufficient administrative support funds. For example, both Pearl River, Mississippi, and Northeast Kingdom, Vermont, indicated that they would convert to limited purpose agencies, focusing their operations on the Head Start program.

The other four said they would continue as CAAs, but on a reduced scale of operation and services. For example, both Des Moines and Denver would continue as CAAs, but the former said it would most likely reduce information and referral services and the number of service centers, while the latter said it might end its emergency food network.

What Are the State and Federal Roles in Administering CSBG?

States have the primary responsibility for administering CSBG, but they had neither set priorities for local CAAs nor generally provided additional funding at the time of our visits. However, all eight states we visited provided various types of oversight and assistance, which most of the 16 CAAs were satisfied with. Federal involvement in the program, through OCS, has been limited to providing oversight through 10 yearly site visits and technical assistance upon request; states have generally been satisfied with OCS's limited role.

State Role

The states we visited have generally not taken an active role in CSBG funding and programmatic matters. With regard to funding, only Michigan and Florida have supplemented the program with funds from their own sources. Michigan contributed $1.2 million in 1985 to support CSBG programs and services. This equaled about 9 percent of total federal CSBG funding in Michigan. Florida contributed $937,000 to its local governments during 1985 from a community services trust fund. This equaled about 9 percent of total federal CSBG funding in Florida.

Regarding programmatic requirements, states have not imposed priorities or goals on their CSBG grantees. Rather, they rely on grantees to identify and address the poverty issues listed in the CSBG legislation through local needs assessments. Only California and New York have identified statewide priorities, but local CAAs use these only as a guide in their own planning.

The eight states we visited use various oversight methods and a wide range of technical assistance and training to ensure that CAAs comply with federal law. State oversight consists of (1) collection and analysis

of widely varying types of data, such as size of eligible populations, age of service populations, measures of service needs, and quantity of services delivered and (2) annual on-site monitoring visits. State monitoring focuses on local accounting for funds, the accuracy of administrative cost charges, and the adequacy of services and activities to meet CSBG's goals. All eight states also require their local grant recipients to have an independent financial and compliance audit. Only two of the eight states, however, collect information on planned versus actual program accomplishment at the local level.

All eight states provide technical assistance and training. Fifteen of the 16 CAAs said that they received training or assistance from their states. Of these 15, 11 were satisfied with the state assistance provided, 2 found it less than satisfactory, and 2 offered no comment. One dissatisfied CAA believed that the state lacked sufficient financial resources to provide the technical assistance desired. Ten of the CAAs said they needed additional training in such areas as procurement, computers, or legal issues.

Federal Role

OCS is responsible for administering CSBG and providing oversight. OCS also provides technical assistance to the states by answering inquiries on CSBG-related matters, participating in semiannual meetings of state officials, and conducting on-site compliance visits.

Annually, OCS gives the states information and guidance, based on the prior year's experience, to help them better prepare their program applications and plans. In addition to the annual review of state applications, OCS provides oversight and assistance through on-site visits. These visits are conducted in 10 different states each year to evaluate and provide feedback to state officials on state policies and procedures for implementing the assurances in the CSBG legislation. At the end of each assessment, the OCS team identifies areas needing improvements. While OCS offers recommendations for strengthening the state's CSBG program in a formal report, it will follow up on state actions only when the recommendations pertain to questionable compliance with the CSBG law.

An OCS official also conducts informal workshops for new CSBG state officials at the semiannual meetings of the National Association for State Community Services Programs. During these meetings, the official also meets individually with some state officials on a number of program matters.

In 1985, four of the eight states we visited requested technical assistance from OCS. The assistance requested related to such matters as property disposition procedures, funding, and the planning and grant application process. State officials said that OCS responses were both timely and responsive. Two of the other four states would like more assistance. One would like OCS guidance on how to reduce or eliminate funding for CAAs that perform poorly. The other would like to be kept more current on CSBG changes. It has been relying on the Federal Register as the sole source for such information.

In addition to its oversight and technical assistance functions, OCS funds a national voluntary data collection system. This system, which is operated by a private contractor, provides the only national information annually on such items as program management, services delivered, and clients served. The data, which are voluntarily provided by the states, vary in quantity and type due to a lack of consistent national data collection standards.

A Rural Case Study—Tri-County Community Council, Inc., Bonifay, Florida

The Tri-County Community Council, Inc., is a CAA in Bonifay, Florida, that operates as a private not-for-profit corporation under state law. Tri-County was established in 1965 under the Office of Economic Opportunity antipoverty legislation.

Tri-County is governed by a 21-member board of directors, which includes 7 elected public officials, 7 persons from the private sector, and 7 community members representing the poor. The board meets monthly and holds additional meetings as necessary. The executive director manages the agency and is directly responsible to the board. All agency administrative officers and program directors report to the executive director.

In 1985, Tri-County had 78 salaried employees (43 full time and 35 part time) who managed and administered $2.6 million in programs. It also used 218 volunteers in 1985. Seven full-time employees and one part-time employee administered the agency in calendar year 1985. The agency uses its own staff to administer its programs and deliver services to its clients.

Tri-County serves the three rural counties of Washington, Holmes, and Walton in the northwest Florida panhandle. The three counties encompass 2,217 square miles and had a total population of 52,579 in 1984.

About one-fourth of the total population are below the poverty level, and about 11 percent are black. Elderly make up about 22 percent of the population; almost a third of them are below the poverty level. In 1984, the average per capita income for the Tri-County area was about $6,300 and the average unemployment rate was 6.3 percent. The average educational level of the low-income families served by Tri-County is the eighth grade.

According to Tri-County records, the CAA received abut $2.6 million in fiscal year 1985. Federal funds accounted for about 92 percent of this amount, and the remainder came from state, local, and private sources. As shown in table IV.1, CSBG funds were about 9 percent of the total.

Table IV.1: Tri-County Funding in Fiscal Year 1985

Source	Amount	Percent
Federal:		
Community Development Block Grant	$ 661,120	25.7
Job Training Partnership Act	657,141	25.6
CSBG	241,106	9.4
Head Start	241,023	9.4
Weatherization	211,381	8.2
Transportation	117,236	4.5
Retired Senior Volunteer Program	30,700	1.2
Other	212,414	8.2
Subtotal	2,372,121	92.2
State	145,347	5.7
Local:		
Public funds	40,161	1.6
Private contributions	14,200	0.5
Total	**$2,571,829**	**100.0**

Tri-County also received in-kind contributions totaling about $92,000 from local public and private sources.

Use of CSBG Funds

Although CSBG funds accounted for only about 9 percent of Tri-County's total revenue, they played a key role in agency activities. Almost 63 percent of the CSBG funds were used for direct services. The remainder were used for Tri-County management and administrative expenses (14 percent) and for administering other federal categorical programs (23 percent).

Direct Services

According to Tri-County, in fiscal year 1985 it used $152,064 of its CSBG grant to provide transportation, emergency services, and several food programs as follows.

Transportation Services

Tri-County manages the transportation program at the request of the three counties and the local social services agency. CSBG funds are used to run the program. CAA officials stated that more low-income people are served by having a single agency operate this program for all three counties. Tri-County owns six vans and three station wagons that it uses

to provide transportation for the poor. Clients are transported to doctors, grocery stores, pharmacies, food stamp offices, social security offices, banks, food preparation demonstrations, canning centers, creditors, and community meetings. In fiscal year 1985, Tri-County used $34,446 of CSBG funds for this program: $17,218 for purchasing new vehicles, $3,000 for communication equipment, and $14,228 for operating costs.

Emergency Services

CSBG funds enable the agency to provide emergency services, such as the distribution of blankets, heaters, and fans to the poor. For example, during a heat wave in the summer of 1985, Tri-County purchased fans and distributed them to 186 households, benefiting 245 people. A total of $13,762 in CSBG funds was used to purchase the fans, identify and certify eligible clients, and announce their availability and eligibility requirements on local radio stations and in three local newspapers.

Food Preparation and Nutrition Education Services

Tri-County also manages the surplus food commodity distribution program for the three-county area and provides food preparation demonstrations and nutrition education classes to help CAA clients understand the importance of good nutrition and good health habits. As with the transportation services provided, Tri-County officials said they could not have undertaken these programs without CSBG funds, which paid staff salaries, and that a single agency providing the surplus commodity program was more cost effective than having each county operate its own. In calendar year 1985, 414 low-income persons attended 36 food preparation and nutrition education classes in the three counties. The agency used professional home economists, Department of Agriculture county home economists, and hospital and health department officials to conduct the classes. Tri-County also furnished seeds, fertilizer, and insecticide to 118 low-income families with space for gardens. Some of the families also used the canning centers to preserve the food they had grown. Tri-County used $93,762 in CSBG funds for these services, which included the cost of managing the canning centers where clients are taught to preserve food.

Community Meetings

With $10,094 in CSBG funds, Tri-County organized 33 community meetings for the poor during 1985. The meetings were intended to give low-income people an opportunity to express their needs and obtain information about programs, services, and assistance available from all

sources. Tri-County uses data collected from these meetings in conducting its annual needs assessment.

Administrative Expenses

Tri-County used about $89,000 of CSBG funds for its own management expenses and to administer its programs. It used about $34,000 for portions of the salaries of the executive director, executive secretary, head bookkeeper, assistant bookkeeper, planning director, two clerk typists, and the community services director and for other expenses, such as employee fringe benefits (FICA, insurance, retirement, etc.), liability insurance, printing, publications, telephones, photocopying, postage, bonding, office supplies, and maintenance.

Another $55,000 was used for the secondary administrative expenses of the other federal categorical programs managed by the agency—e.g., Head Start, Department of Housing and Urban Development Section 8 Housing Assistance, Weatherization, and Job Training Partnership Act. These expenses were primarily the salaries of the program managers. Tri-County officials said that it was necessary to use CSBG funds for the administrative expenses of these other programs because the fixed percentage amounts allowed by each program for administration were inadequate to obtain qualified people, prevent reductions in the level of client participation, and effectively manage the programs. For the Head Start program, Tri-County chose not to use the full 15 percent allowed for administration to avoid cutting the service level below 108 children. CSBG funds were used to make up the difference.

The officials said that the Job Training Partnership Act's titles IIA and IIB allow 15 percent but the act's Private Industry Council takes 7 percent, leaving only 8 percent to administer the program. They said that weatherization allows only 5 percent, and that Section 8 allows 10 percent, but restricts use to only the program's director and staff.

Tri-County officials said their basis for using CSBG funds to supplement administration of other federal programs is to cover the difference between what is allowed and that actually needed to retain qualified people to manage the programs and maintain services at current levels.

CSBG-Supported Services Complement Those Provided by Local Social Services Agency

The local social services agency provided such federally supported programs as aid to families with dependent children, the work incentive program, adult foster care homes, institutional care of aged and mentally retarded, food stamps, energy assistance, medicaid, adoption, family foster care, day care, mental health, and drug abuse. These programs provided by the social services agency are not included among any of the services and programs that Tri-County provides. Moreover, Tri-County's annual needs assessment process seeks to prevent duplication by identifying services provided by other agencies in the area.

There is extensive cooperation between Tri-County and the local social services agency. Through interagency meetings, county commission meetings, and mutual referral systems, each organization is thoroughly familiar with the other's programs. During the initial intake process, both agencies screen clients to determine if they need services provided by the other. Also, many of the individuals involved in operating the two agencies are life-long residents of the area and are very familiar with each other's programs.

The local social services director viewed Tri-County as the "voice" of the poor in determining unmet needs in the community and having the flexibility to adapt its programs to such needs. The director also did not think her agency could fill that same role because its services are mandated by federal and state programs. A local county commissioner, who is also the Tri-County board chairman and a life-long resident of the area, viewed the agency essentially as a service provider and an agency that can fill unmet needs in the geographic area.

Potential Impact of CSBG Termination

Between 1981 and 1985, Tri-County experienced an overall cut of about $133,000 (35 percent) in CSBG funds and a drop in total funds from all sources of about $1 million (28 percent). The effect of the CSBG cuts has been cushioned by having all department heads and program directors assume extra duties and responsibilities. However, as a last resort, some staff and services were also cut back.

To absorb CSBG cuts and prevent drastic cuts in services, the agency used CSBG-funded staff to administer other federal programs. Management officials increased their workloads by taking over management of two or more programs in addition to their regular responsibilities. For example, the agency planner undertook the management of the two Job Training Partnership Act programs along with the regular planning and reporting functions. In addition, Tri-County reduced its staff by 10

full-time salaried employees. However, by acquiring the transportation program, it was able to rehire three employees back in part-time positions.

Some services were reduced. For example, in years past, the agency's emergency services program distributed blankets, heaters, and fans to the poor, but only fans were distributed in 1985. In addition, Tri-County stopped renovating the dilapidated porches, doorsteps, and window screens of low-income families living in old homes.

Tri-County officials stated that although CSBG funds were only about 9 percent of their total fiscal year 1985 funds, they played a key role in total operations. CSBG funds accounted for over half of Tri-County's administrative expenses and helped fill unmet needs not covered by other antipoverty agencies in the area.

Tri-County officials said that if CSBG is terminated, CSBG direct-funded services will be eliminated or significantly reduced. Services provided under the agency's other federally supported programs will also have to be cut to make up for the loss of CSBG funds that were used to help administer these programs. The level of services and numbers of participants in each program will probably be reduced as the agency attempts to restructure its management and support staff to stay viable. However, Tri-County would first use attrition, salary reductions, and further doubling up of the workloads among staff and only cut services as a last resort.

Tri-County officials said that they have sought funds from all known sources to make up for previous cuts. They also said that state officials and legislators told them that the state would not replace CSBG funds. In addition, the local tax base is limited, given the area's rural character. Moreover, the counties are currently in the process of raising funds to comply with a federal court order to renovate local jails and prisons. Local governments will also be losing their federal revenue sharing funds.

A local county commissioner essentially echoed the views of Tri-County officials on the effects of CSBG termination. He said that it was extremely unlikely that the three rural county and city governments can replace CSBG funds for Tri-County. He explained that the counties are small, are rural, and have a very low tax base.

An Urban Case Study—Neighborhood Services Department, Detroit, Michigan

The community action agency for the City of Detroit is the public Neighborhood Services Department (NSD), a part of the city government under the jurisdiction of the mayor's office. NSD obtains its planning and operations guidance through area councils, committees, subcommittees, and task forces. NSD also works through the Community Action Agency Board, which oversees and advises on major policy direction and implementation of its programs. The board is composed of 36 persons—12 from the public sector, 12 from the private sector, and 12 elected community representatives. A representative of the mayor is chairperson.

NSD has a staff of 184 full-time employees and operates $27.8 million in programs. It provides services from seven locations—the central office, three major service centers, one intermediate service center, and two part-time or satellite service centers. Of the total staff, 49 perform administrative duties. With its own staff and neighborhood volunteers, NSD provides such services as surplus food and food stamp distribution and energy assistance counseling. However, NSD contracts out for such services as weatherization, Head Start, packaged food provisions, and day care. Most of NSD funds go for contract services.

The number of individuals in need of NSD's services has grown over the last 15 years. While Detroit has experienced a 21-percent decline in population from 1970 to 1980, the number of public assistance recipients has grown steadily during this period, rising to about 400,000, or about 38 percent of the city's population, in 1985. These individuals represent about 174,000 households and form the target population for NSD services. NSD estimated that about 112,000 low-income persons, or about 28 percent of the 400,000 public assistance recipients, are reached through its programs.

In fiscal year 1985, NSD received $4,174,160 in CSBG funds—about 15 percent of its total funding of $27.8 million. Although CSBG funds have decreased from $9.1 million in 1981, the total NSD budget of $27.8 million has remained nearly constant. NSD's funding for 1985 is shown in table V.1.

Table V.1: Neighborhood Services Department Funding for Fiscal Year 1985

Source	Amount	Percent
Federal:		
Head Start	$10,033,977	36.0
Weatherization	7,333,333	26.3
CSBG	4,174,160	15.0
Community Development Block Grant	2,000,000	7.2
Low Income Energy Assistance	649,746	2.3
Feeding programs	298,318	1.1
Job Training Partnership Act	160,000	0.6
Subtotal	24,649,534	88.5
State:		
CSBG supplement	249,337	
Other sources	2,200,805	
Subtotal	2,450,142	8.9
Local:		
Public funds	549,090	
Private contributions	148,329	
Other	38,800	
Subtotal	736,219	2.6
Total	**$27,835,895**	**100.0**

In addition, NSD received local private in-kind contributions totaling $2,279,521, consisting of rent-free facilities for the Head Start program.

Use of CSBG Funds

As shown in the table, the CSBG funds of $4,174,160 represented about 15 percent of NSD's total funding in 1985. NSD used 20 percent ($834,832) of these funds for administrative costs, another 20 percent for medical/dental services, and the other 60 percent ($2,504,496) for operating its six service centers.

NSD officials stated that the administrative costs of $834,832 were for central office expenses, such as rental, salaries, equipment, and travel. The amount charged CSBG funds covered about 54 percent of the total central office costs of $1,547,128.

CSBG funds were also used for medical services to help support the Detroit Health Department's operation of eight neighborhood clinics. These clinics provide primary health care to the poor and near poor,

including physician services, diagnostic services, nursing services, nutritional services, laboratory services, prescription drugs, social services, and outside referrals. NSD's contribution of CSBG funds represented from 7 to 10 percent of the total budget for each of the eight clinics.

The CSBG funds used to help operate the six service centers represented about 48 percent of their total cost of $5,202,843. Expenses charged to CSBG included staff salaries, rental costs, equipment, travel costs, and supplies. An NSD official said the service centers' expenses are considered programmatic costs because their staff and volunteers provide direct services to the needy.

By supporting NSD's basic administrative framework and center operations, CSBG funds also provide direct and indirect support for its categorical programs and other services. For example, the central office staff administer the contracts and federal funds for such programs as Head Start and weatherization, while the centers provide a referral system for the services. Also, CSBG-funded staff provide emergency food and distribute food stamps and surplus commodities.

According to NSD officials, CSBG funds basically enable it to function in the community. The officials stated that although CSBG funds are only 15 percent of its budget, they provide for the core of its operations. The basic facilities and staff that enable NSD to provide community services rely on CSBG funds. NSD officials stated that CSBG funds are what "holds it all together"; i.e., the liaison and coordination between agencies, clients, and programs.

NSD officials view their most significant role as that of a mobilizer for supplemental help to poor people. They said that by providing services (such as emergency food and clothing) that supplement individuals' public assistance allowances, NSD is able to soften the impact of deprivation and need and enable these individuals to stretch public assistance allotments to make their life a little easier.

CSBG-Supported Services Complement Those Provided by Local Social Service Agency

Individuals served by both NSD and the Wayne County Department of Social Services (WCDSS) are similar in socioeconomic status and receive services from both agencies. However, they receive different services from each agency. NSD provides services that WCDSS cannot provide and that supplement or fill the gaps in services provided by WCDSS to public assistance recipients.

The director of WCDSS stated that because of federal regulations and state program policy, WCDSS is not able to provide a complete range of services needed in the communities. Therefore, NSD functions largely in those areas where program requirements prevent WCDSS from functioning or where it is not feasible to do so. For example, the director stated that neither federal nor state WCDSS funds provide for outreach activities; consequently, NSD concentrates on identifying non-public-assistance households who may be eligible for food stamps but who are not certified. The elderly and Supplemental Security Income recipients routinely run out of food stamps before the end of the month, the director added, and NSD provides them emergency food until they receive their next month's food stamps. Once recipients run out of their monthly allotment of food stamps, WCDSS, by regulation, cannot help them until the following month. In essence, WCDSS usually cannot respond to emergency situations, while NSD can. Similarly, the mayor's chief executive assistant stated that the services being provided by NSD to the poor are absolutely essential to meet community needs.

The potential for service duplication is also largely prevented because WCDSS and NSD representatives sit on each other's advisory committees and their staffs share service information. In addition, each has a copy of the other's service delivery plan and is afforded an opportunity to comment on the plan.

Potential Impact of CSBG Termination

NSD officials stated that past CSBG funding cuts forced them to centralize some activities, reduce staff and program evaluation capacity, and offer what were once considered regular services only on an emergency basis. For example, service centers were reduced from 14 in 1981 to 6 in 1985, and full-time staff were reduced from 237 in 1984 to 184 in 1986.

NSD officials stated that if CSBG was terminated, their reaction would be similar to those for the previous cuts, but more severe. NSD would probably close down its six service centers, they said, since CSBG is the centers' primary funding source. They added that it is unlikely that other federal, state, local, or private funds would be made available to replace

the CSBG funds. The funds which Detroit has been using to support NSD's operations are also being cut drastically, they explained. In addition, fees and private funds are not available in the amounts needed to retain NSD's services. Further, if other federal programs are reduced as a result of the Gramm-Rudman-Hollings deficit reduction legislation, NSD will likely receive less funding for its Head Start, weatherization, and energy assistance programs.

WCDSS officials stated that, in their opinion, no other funds would be available to replace CSBG funds. Private agencies have their own specific priorities, which are established 2 or 3 years in advance, so it is unlikely they could pick up the services provided by NSD. In addition, no one would pick up food distribution because of the staff and logistics needs (warehousing, security, transportation, etc.). Moreover, they said social service departments are not funded for many of the functions carried out by NSD. They added that since social services will not be expanded, the services provided by NSD through CSBG funding would cease.

The mayor's chief executive assistant stated that if CSBG is terminated, it is unlikely that other city departments could pick up NSD's services. Other departments have their own budget problems, and there is no fill-in money to provide NSD's services without CSBG funds. He added that the problems of the poor are of such magnitude that the city does not have the funds to provide these services on its own.

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